

AUGUST 8, 2006

**CITY OF GUNNISON COUNCIL
REGULAR SESSION MINUTES**

7:00 P.M.

The Regular Session was called to order at 7:00 P.M., by Mayor Ferguson with City Councilors Harriman, and Nesbitt present along with City Attorney Landwehr, City Manager Coleman, City Clerk Davidson, Finance Director Hanson, several interested citizens and the press. Councilor Miller was out of town.

The Mayor reminded Council that Councilor Miller had informed them at last week's Work Session meeting that he would be absent from tonight's meeting.

Councilor Nesbitt moved and Councilor Harriman seconded the motion to excuse Councilor Miller from this evening's Regular Session meeting.

Roll call vote, yes: Harriman, Ferguson, Nesbitt. So carried.

Roll call vote, no: None.

Consideration of Minutes:

Regular Session Minutes of July 25, 2006.

Councilor Nesbitt moved and Councilor Harriman seconded the motion to approve the Regular Session Minutes of July 25, 2006, as submitted.

Roll call vote, yes: Ferguson, Nesbitt, Harriman. So carried.

Roll call vote, no: None.

Pre-Scheduled Citizens:

Presentation of 2005 City Audit – Dean Johnson and Finance Director Hanson. Mr. Johnson was not present at this time.

Unfinished Business: None.

New Business:

Action on License Agreement with Michael Fornasiero to Place Signs Over City Sidewalk at 144 N. Main Street. City Clerk Davidson informed Council the memo in their packet from Community Development Director Westbay answers the questions they asked at last week's work session. There are 4 signs covered by the License Agreement, all to be placed on the Virginia Avenue side of the building and, although the signs are projecting signs by definition of the City's Sign Code, they meet the requirements of being legal signs under that code. The insurance requirements have been met and the Agreement is in compliance. Mrs. Fornasiero was present to answer any questions.

Councilor Nesbitt moved and Councilor Harriman seconded the motion to approve the License Agreement with Michael Fornasiero to place signs over the City sidewalk at 144 N. Main Street and to authorize the Mayor to sign said Agreement.

Roll call vote, yes: Nesbitt, Harriman, Ferguson. So carried.

Roll call vote, no: None.

Set "TEFRA" Public Hearing for August 25, 2006, to Receive Public Input on Issuance of Revenue Bonds for Construction of WSC Borick Business Building. Finance Director Hanson explained the amount in the TEFRA Public Hearing notice is listed at \$7,000,000 in order to cover any contingencies that may arise. The Bond Counsel does it that way in order not to have to re-publish the hearing if anything arises. However, the amount in the City Ordinance and supporting documentation remains \$6,000,000. If any negative comments are made at the Hearing, those comments are included in the documentation prior to signing.

Councilor Harriman moved and Councilor Nesbitt seconded the motion to set the "TEFRA" Public Hearing for 10:00 A.M., Friday, August 25, 2006, in the Finance Director's Office of City Hall, to receive public input on the issuance of revenue bonds for the construction of the WSC Borick Business Building.

Roll call vote, yes: Harriman, Ferguson, Nesbitt. So carried.

Roll call vote, no: None.

Ordinance and Resolutions:

Ordinance No. 9, Series 2006; Re: Lease/Purchase for Water Department Storage Building and Motor Grader, 2nd Reading.

Councilor Nesbitt introduced Ordinance No. 9 Series 2006, and it was read by title only by the City Attorney. Mayor Ferguson read the dollar amounts of the 2 annual payments in the amount of \$105,366.26 each for a total payment over the full life of the Agreement of \$210,732.52 plus \$1.00 into the record.

Councilor Nesbitt moved and Councilor Harriman seconded the motion that Ordinance No. 9, Series 2006, **AN ORDINANCE AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A GOVERNMENTAL MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT AND SCHEDULE OF PROPERTY, WHICH CONTAINS AN OPTION TO PURCHASE, WHEREIN CALIFORNIA FIRST NATIONAL BANK IS LESSOR AND THE CITY OF GUNNISON, COLORADO, IS LESSEE, FOR A MOTOR GRADER AND MODULAR METAL STORAGE BUILDING FOR THE USE OF THE CITY OF GUNNISON PUBLIC WORKS DEPARTMENT**, be introduced, read, passed and adopted on second and final reading this 8th day of August, 2006.

Roll call vote, yes: Ferguson, Nesbitt, Harriman. So carried.

Roll call vote, no: None.

Ordinance No. 10, Series 2006; Re: Authorizing Issuance and Sale of City of Gunnison Revenue Bonds for Construction of WSC Borick Business Building, 1st Reading.

Councilor Harriman introduced Ordinance No. 10 Series 2006, and it was read by title only by the City Attorney.

Councilor Harriman moved and Councilor Nesbitt seconded the motion that Ordinance No. 10, Series 2006, **AN ORDINANCE OF THE CITY OF GUNNISON, COLORADO AUTHORIZING THE ISSUANCE AND SALE OF ITS CITY OF GUNNISON, COLORADO REVENUE BOND (WESTERN STATE COLLEGE FOUNDATION PROJECT) SERIES 2006 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$6,000,000; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A FINANCING AGREEMENT, CLOSING DOCUMENTS AND SUCH BOND IN CONNECTION THEREWITH; APPROVING THE FORM OF CERTAIN ANCILLARY DOCUMENTS; AND REPEALING ANY ACTION HERETOFORE TAKEN IN CONFLICT HERewith**, be introduced, read, passed and ordered published on first reading this 8th day of August, 2006.

Roll call vote, yes: Nesbitt, Harriman, Ferguson. So carried.

Roll call vote, no: None.

City Attorney: Rod Landwehr. Attorney Landwehr updated Council on the progress of the clean-up of the burned house at 313 S. Boulevard. He was contacted by someone stating to be Kelly Fishburne, one of the co-owners of the property. Attorney Landwehr mailed Mr. Fishburne copies of the publication for judgment documents but has not heard back from Mr. Fishburne. In addition, the Building Department has received notification that the latest soil samples came back “clean” of any asbestos contamination. Discussion on clean up of the property and possession ensued. The process is proceeding.

City Manager: Ken Coleman. Reported on the following with Mayor Ferguson : They attended two meetings. They attended the local government economic development meeting with the City hosting the meeting. Representatives of the Economic Development Corporation were in attendance and were told the governmental entities were not interested in funding a full-time director position but are focusing on 3 issues – transportation, housing and communications. The EDC will remain an active organization and if a prospect comes in all of the local entities will work with that business and the EDC. Mayor Ferguson stated the meeting was very positive. City Manager Coleman also attended the Mayors’/Managers’ meeting in Pitkin. It was fairly well attended with current issues in each entity being discussed. County: the County Manager search continues with Marlene Crosby being the Interim Manager; the Tenderfoot Project is progressing; the Detention Facility Committee is working on financial and site issues; and the Library group is looking at forming a Library District Authority. Crested Butte: they have had a very busy July; their Town Attorney Laura Magner is on sabbatical; they are working on budget and the new Town Manager, Susan Parker, attended the meeting; Pitkin: is dealing with safety issues of ATV traffic and law enforcement; WSC: classes start August 21st; enrollment is steady; the repaired swimming pool is filling and is being tested; and housing for

new employees is an issues; CBMR: work on the East River lift has started; weeds are an issue; the Grand Lodge is closing; and there is construction chaos; Mt. Crested Butte: the avalanche mitigation fence construction is underway and they are dealing with bear issues. Lastly, the City did receive an annexation petition for the Tomichi Creek Annexation last Friday.

Acting City Manager: Community Development Director Steve Westbay. Absent.

City Clerk: Gail Davidson. Nothing to report.

City Auditor Dean Johnson arrived at the meeting. Mr. Johnson and Finance Director Hanson reviewed the audit document and discussed the following: the management analysis and discussion is in process; there are 2 basis for accounting – fund balance and net assets or full accrual; they reviewed the budget actual statements for the General Fund and the Enterprise Funds; the environmental mediation of the old landfill; variance of revenues over expenses in some funds; there is a good fund balance; the Enterprise Funds are asset based to cover catastrophes; the City has the recommended 3 months of General Fund reserves; and the audit is not a qualified opinion, there are no big adjustments and everything is in good order. The final documents will be presented to Council for action at the August 22nd Regular Session. Council thanked Mr. Johnson and Director Hanson.

Non-Scheduled Citizens: None.

General Discussion/Items for Work Session:

Councilor Harriman: Reported the Planning Commission worked on another chapter of the Master Plan. The Detention Facility committee will make a presentation to Council at the Work Session on September 5th. They have had discussions on the bonding of the facility.

Councilor Nesbitt: Reported on the Tourism Association Board Meeting. Items covered included: sales tax is up, with a large increase in restaurant sales tax reported in Mt. Crested Butte; website traffic is way up; the RTA made a report at the meeting on the proposed bus trips and there will be 9% more airline seats available this winter; the TA has developed a partnership with Cherry Creek Mall to include a shopping trip to Crested Butte in a shopping tour of Cherry Creek.

Mayor Ferguson: Reported he received a letter from CDOT concerning a traffic safety seminar to be held in Grand Junction or Fort Collins in September. He has attended the seminar and it is very informative. He passed along the information to the City Clerk. The Mayor stated he has been contacted by the High Country Citizens Alliance (HCCA) to participate in a stakeholders meeting concerning mining in the Upper Valley. They are hoping for an open forum for all opinions. The Mayor will forward the e-mail to all of Council. Lastly, the RTA will meet this Friday. He will attend as will Finance Director Hanson for City staff.

Adjournment: At 8:07 P.M.

Mayor

City Clerk